

AMENDED IN SENATE MAY 5, 2003

**SENATE BILL**

**No. 896**

**Introduced by Senator Florez**

February 21, 2003

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An act to ~~add Section 1025 to the Government Code, relating to public funds~~ to amend Sections 10290.1 and 12101.5 of the Public Contract Code, relating to public contracts.

LEGISLATIVE COUNSEL'S DIGEST

SB 896, as amended, Florez. ~~Public officers~~ State contracts: California multiple award schedules.

*Existing law permits the Department of General Services, and any other state agency, when authorized by the department, to contract with suppliers for the purchase of information technology goods and services using a multiple award. A multiple award is defined as an award of an indefinite quantity contract for similar goods, information technology, or services to more than one supplier.*

*This bill would prohibit the department or any other state agency from entering into contracts, using a multiple award, unless the department or a state agency obtains 3 additional price quotations, including at least one price quotation from a certified business contractor, and the legal counsel of the department or the agency reviews all sole-source contracts and emergency purchases to ensure that they comply with the applicable statutory requirements.*

~~Under existing law, public officers may use public funds only for public purposes.~~

~~This bill would provide that no elected public officer may use public funds to create a nonprofit corporation.~~

Vote: majority. Appropriation: no. Fiscal committee: ~~no~~—yes.  
State-mandated local program: no.

*The people of the State of California do enact as follows:*

1 ~~SECTION 1. Section 1025 is added to the Government Code,~~

2 *SECTION 1. Section 10290.1 of the Public Contract Code is*  
3 *amended to read:*

4 10290.1. (a) Notwithstanding any other provision of law, in  
5 exercising their delegation of contracting authority from the  
6 department, state agencies may contract for goods, information  
7 technology, or services with suppliers who have multiple award  
8 schedules with the General Services Administration of the United  
9 States if the supplier is willing to extend those terms, conditions,  
10 and prices *and both of the following are satisfied:*

11 *(1) State agencies, prior to placing an order with that supplier,*  
12 *solicit other suppliers and obtain three price quotations, including*  
13 *at least one price quotation from a certified small business*  
14 *contractor.*

15 *(2) The legal counsel of each state agency reviews all*  
16 *sole-source contracts and emergency purchases, prior to*  
17 *submitting those contracts and purchases to the Department of*  
18 *General Services for approval, to ensure that the contracts and*  
19 *emergency purchases comply with all applicable statutory*  
20 *requirements. The*

21 *The department may also develop multiple award schedules or*  
22 *agreements for use by state agencies in the same manner.*

23 (b) The department shall determine the delegation contracting  
24 authority for agencies wishing to contract with suppliers who have  
25 multiple award schedules. The department shall seek input from  
26 both customer departments and agencies and private sector  
27 suppliers.

28 *SEC. 2. Section 12101.5 of the Public Contract Code is*  
29 *amended to read:*

30 12101.5. (a) It is the intent of the Legislature that agencies of  
31 the State of California use an acquisition method that is compatible  
32 with their short- and long-term fiscal needs in contracts relating to  
33 commodities and information technology goods and services.  
34 State agencies should be able to specify their anticipated life cycle  
35 requirements that would become one of the criteria for contractor

selection. These agencies should be given the choice of suppliers to meet statewide standardization needs, unique service requirements, application requirements, and long-term satisfaction criteria. There is a need for the State of California to enter into long-term contracts with annual cancellation and fund-out clauses, as required, to protect the state's interests as well as provide the option for multiyear renewals to encourage suppliers to develop higher levels of service and support throughout the contracts.

(b) ~~The~~ *Subject to subdivision (c), the state may utilize multiple awards, including federal General Service Administration Multiple Awards Schedules and master agreements or contracts for goods, information technology, services, or consulting services. For purposes of this subdivision, a multiple award is an award of an indefinite quantity contract for one or more similar goods, information technology, or services to more than one supplier. Except for possible multiple awards as permitted by this subdivision, all the requirements of this chapter pertaining to other types of information technology acquisitions shall be followed. The department shall ensure that multiple award schedules are in compliance with all other applicable statutes.*

(c) Notwithstanding any other provision of law, state agencies, in exercising their contracting authority delegated by the department, may contract with suppliers who have multiple award schedules with the General Services Administration of the United States on the same terms, conditions, and prices if the supplier is willing to do so *and both of the following are satisfied:*

*(1) The state agency, prior to placing an order with that supplier, solicit other suppliers and obtain three price quotations, including at least one price quotation from a certified small business contractor.*

*(2) The legal counsel of each state agency reviews all sole-source contracts and emergency purchases, prior to submitting those contracts and purchases to the Department of General Services for approval, to ensure that the contracts and emergency purchases comply with all applicable statutory requirements.* ~~The~~

*The department may also develop multiple award schedules or agreements for use by state agencies in the same manner. The*

1 department shall determine the delegation contracting authority  
2 for agencies wishing to use multiple award schedules.  
3 ~~to read:~~  
4 ~~1025. No person elected to public office may use public funds~~  
5 ~~to create a nonprofit corporation, as defined in Section 5059, 5060,~~  
6 ~~or 5061 of the Corporations Code.~~

